

LEASE

THIS LEASE, made this 25th day of April, 1975, by and between LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, TRUSTEE, hereinafter called "Lessor," and NATIONAL STEEL CORPORATION hereinafter called "Lessee."

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RECORDATION NO. .... Filed & Recorded

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WITNESSETH:  
INTERSTATE COMMERCE COMMISSION

For and in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. LEASE. Lessor hereby leases to lessee, and lessee hereby leases and hires from lessor, all machinery, equipment and other property described in (a) Schedule 1 hereafter executed by the parties hereto and made a part hereof; and (b) any schedule or schedules hereafter executed by the parties hereto and made a part hereof. All said machinery, equipment and other property described in said schedule is hereinafter collectively called "equipment"; and all said schedules are hereinafter collectively called "schedules".

2. TERM. The term of this lease respecting each item of equipment commences as to each such item of equipment upon the date Lessee executes and delivers to Lessor a Certificate of Delivery and Installation on the form of that attached hereto. The term of this lease ends on the date designated on the attached Schedule 1.

3. RENT. The rent for any and every item of equipment described in the schedule shall be the amount designated in the schedule. Lessee shall pay lessor in the amounts and at the times set forth in the schedule, at the office of lessor, or to such other person and/or at such other place as lessor may from time to time designate in writing.

4. USE. Lessee shall use the equipment in a careful and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances and regulations in anywise relating to the possession, use or maintenance of the equipment. If at any time during the term hereof lessor supplies lessee with labels, plates or other markings stating that the equipment is owned by the lessor, lessee shall affix and keep the same upon a prominent place on the equipment.

5. LESSEE'S INSPECTION; CONCLUSIVE PRESUMPTIONS. Lessee shall inspect the equipment within ten (10) days after receipt thereof. Unless lessee within said period of time gives written notice to lessor, specifying any defect in or other proper objection to the equipment, lessee agrees that it shall be conclusively presumed, as between lessor and lessee, that lessee has fully inspected and acknowledged that the equipment is in good condition and repair, and that lessee is satisfied with and has accepted the equipment in such good condition and repair.

6. LESSOR'S INSPECTION. Lessor shall at any time during business hours have the right to enter into and upon the premises where the equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall give lessor immediate notice of any attachment or other judicial process affecting any item of equipment and shall, whenever requested by lessor, advise lessor of the exact location of the equipment.

7. ALTERATIONS. All additions and improvements of whatsoever kind or nature made to the equipment shall belong to and become the property of lessor upon the expiration, or earlier termination, of this lease.

8. REPAIRS. Lessee, at its own cost and expense, shall keep the equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the equipment in good mechanical and working order.

9. LOSS AND DAMAGE; STIPULATED LOSS VALUE. Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever. No loss or damage to the equipment or any part thereof shall impair any obligation of lessee under this lease which shall continue in full force and effect.

In the event of loss or damage of any kind whatever to any item of equipment, lessee at the option of lessor shall:

(a) Place the same in good repair, condition and working order; or  
(b) Replace the same with like equipment in good repair, condition and working order; or

(c) If same is determined by lessor to be lost, stolen, destroyed or damaged beyond repair, lessee shall pay lessor therefor in cash the "Stipulated Loss Value" as set forth in the schedule. Upon such payment this lease shall terminate with respect to such item of equipment so paid for and lessee thereupon shall become entitled to such item of equipment as-is-where-is without warranty, express or implied, with respect to any matter whatsoever.

10. SURRENDER. Upon the expiration or earlier termination of this lease with respect to any item of equipment, lessor shall surrender all its right, title and interest in and to said equipment to lessee. Lessor will transfer all its title in and to said equipment to lessee and will cooperate in the preparation and signing of any and all documents necessary to effectuate said transfer and in any and all documents necessary to perfect filings with state and/or federal regulatory agencies and/or documents needed to perfect lessee's title to or security in said equipment.

11. INSURANCE. Lessee shall carry public liability and property damage insurance covering the equipment under lessee's blanket policy or policies of insurance; lessor understands and agrees that lessee will self-insure as to physical damage to the equipment itself. All said insurance shall be in the joint names of lessor and lessee. Lessee shall pay the premiums therefor and deliver copies of said policies to lessor. Each insurer shall agree, by endorsement upon the insurance rider of said policy covering said equipment or by independent instrument furnished to lessor, that it will give lessor thirty (30) days written notice before the policy in question shall be altered or cancelled. The proceeds of such insurance, at the option of lessor, shall be applied (a) toward the replacement, restoration or repair of the equipment or (b) toward payment of the obligations of lessee hereunder. Lessee hereby appoints lessor as lessee's attorney-in-fact to make claim for, receipt payment of, and execute and endorse all documents, checks or drafts for, loss or damage under any said insurance policy.

12. TAXES. Lessee shall keep the equipment free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment, excluding, however, all taxes on or measured by lessor's net income or net worth.

13. LESSOR'S PAYMENT. In case of failure of lessee to procure or maintain said insurance or to pay said fees, assessments, charges and taxes, all as hereinbefore specified, lessor shall have the right, but shall not be obligated, to effect such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, the cost thereof shall be repayable to lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequence, including interest at twelve per cent (12%) per annum, as failure to pay any installment of rent.

14. DISCLAIMER OF WARRANTIES. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN LESSOR SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, DESIGN, OPERATION OF OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT (EITHER UPON THE DELIVERY THEREOF TO LESSEE OR UPON THE TRANSFER THEREOF TO LESSEE PURSUANT TO ANY PROVISION HEREOF OR OTHERWISE).

15. INDEMNITY. Lessee shall indemnify lessor against, and hold lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment, including without limitation the manufacture, selection, delivery, possession, use, operation or return of the equipment.

16. EARLY TERMINATION. Notwithstanding any provision of this lease regarding default, lessee shall have the right, at its option within 30 days of any notice of default, and if no default shall have occurred and be continuing at any time upon not less than 30 days' prior written notice to lessor thereof, to terminate this lease with respect to all, but not less than all, the equipment, such termination to be effective at the end of the rental period during which such notice of termination is given as such rental periods are set forth in the paragraph entitled Stipulated Loss Value of the schedule to this lease. On the date specified for payment of the basic rent following the effective date of such termination, lessee shall pay to lessor the stipulated loss value of the equipment determined as of the date of such payment.

17. DEFAULT. If lessee with regard to any item or items of equipment fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if lessee with regard to any item or items of equipment fails to observe, keep or perform any other provision of this lease required to be observed, kept or performed by lessee, lessor shall have the right to exercise any one or more of the following remedies:

(a) To declare the entire amount of rent hereunder immediately due and payable as to any or all items of equipment, without notice or demand to lessee.

(b) To sue for and recover all rents, and other payments, then accrued or thereafter accruing, with respect to any or all items of equipment.

(c) To take possession of any or all items of equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession. Any such taking of possession shall constitute a termination of this lease by lessor except as to lessee's obligation of payment for any sums due and owing prior to said termination.

18. BANKRUPTCY. Neither this lease nor any interest therein is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the lessee, or if the lessee is adjudged insolvent, or if the lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on any item or items of the equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the lessee is a party with authority to take possession or control of any item or items of the equipment, lessor shall have and may exercise any one or more of the remedies set forth in paragraph 17 hereof; and this lease shall, at the option of lessor, without notice, immediately terminate and shall not be treated as an asset of lessee after the exercise of said option.

19. CONCURRENT REMEDIES. No right or remedy herein conferred upon or reserved to lessor is exclusive of any other right or remedy herein or by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

20. LESSOR'S EXPENSES. Lessee shall pay lessor all costs and expenses, including attorneys' fees, incurred by lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof.

21. ASSIGNMENT. Without the prior written consent of lessor, lessee shall not (a) assign, transfer, pledge or hypothecate this lease, the equipment or any part thereof, or any interest therein or (b) sublet or lend the equipment or any part thereof, or permit the equipment or any part thereof to be used by anyone other than lessee or lessee's employees. Consent to any of the foregoing prohibited acts applies only in the given instance; and is not a consent to any subsequent like act by lessee or any other person.

Subject always to the foregoing, this lease inures to the benefit of, and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

22. OWNERSHIP. The equipment is, and shall at all times be and remain, the sole and exclusive property of lessor; and the lessee shall have no right, title or interest therein or thereto except as expressly set forth in this lease.

23. PERSONAL PROPERTY. The equipment is, and shall at all times be and remain, personal property notwithstanding that the equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereof, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

24. INTEREST. Should lessee fail to pay any part of the rent herein reserved or any other sum required by lessee to be paid to lessor, within ten (10) days after the due date thereof, lessee shall pay unto the lessor interest on such delinquent payment from the due date until paid at the rate of twelve per cent (12%) per annum.

25. OFFSET. Lessee hereby waives any and all existing and future claim and offsets, against any rent or other payments due hereunder; and agrees to pay the rent and other amounts hereunder regardless of any offset or claim which may be asserted by lessee or on its behalf.

26. NON WAIVER. No covenant or condition of this lease can be waived except by the written consent of lessor. Forbearance or indulgence by lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by lessee to which the same may apply, and, until complete performance by lessee of said covenant or condition, lessor shall be entitled to invoke any remedy available to lessor under this lease or by law or in equity despite said forbearance or indulgence.

27. INVESTMENT CREDIT. Lessor agrees to pass to lessee any investment credit on tax which may at any time be claimed regarding the equipment which is the subject of this lease. Lessor also agrees to furnish to lessee, properly executed copies of such notice of election to pass the investment credit aforesaid to lessee and to cooperate in the signing or filing of any documents necessary to enable lessee to properly claim such investment credit.

28. ADDITIONAL DOCUMENTS. If lessor shall so request, lessee shall execute and deliver to lessor such documents as lessor shall deem necessary or desirable for purposes of recording or filing to protect the interest of lessor in the equipment.

29. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between lessor and lessee; and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto.

30. NOTICES. Service of all notices under this agreement shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth, or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid.

31. GENDER; NUMBER. Whenever the context of this lease requires, the neuter gender includes the masculine or feminine, and the singular number includes the plural; and whenever the word "lessor" is used herein, it shall include all assignees of lessor. If there is more than one lessee named in this lease, the liability of each shall be joint and several.

32. TITLES. The titles to the paragraphs of this lease are solely for the convenience of the parties, and are not an aid in the interpretation of the instrument.

33. TIME. Time is of the essence of this lease and each and all of its provisions.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first above written.

LINCOLN NATIONAL BANK AND TRUST COMPANY  
OF FORT WAYNE, TRUSTEE

NATIONAL STEEL CORPORATION

By *Roger S. Moliere*  
Vice President Title  
(Seal)

By *G.B. Angevine*  
Vice President Title  
(Seal)

Address: 116 East Berry Street  
Fort Wayne, Indiana 46802

Address: 2800 Grant Building  
Pittsburgh, Pennsylvania  
15219

STATE OF INDIANA )  
                          ) SS:  
COUNTY OF ALLEN )

On this 23rd day of April, 1975, before me personally appeared Roger S. Moliere, to me personally known, who being by me duly sworn, says that he is the Vice President of Lincoln National Bank and Trust Company of Fort Wayne, that the seal affixed to the foregoing instrument is the complete seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Patricia L. Volmerding*  
Notary Public

My commission expires May 3, 1978.

STATE OF PENNSYLVANIA )  
                          ) SS:  
COUNTY OF Allegheny )

On this 25th day of April, 1975, before me personally appeared G.B. Angevine, to me personally known, who being by me duly sworn, says that he is the Vice president

of National Steel Corporation, that the seal affixed to the foregoing instrument is the complete seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert M. Guiser

Notary Public

ROBERT M. GUISE, Notary Public  
Pittsburgh, Allegheny County, Pa.

My COMMISSION EXPIRES

DECEMBER 9, 1978

My commission expires

SCHEDULE NO.01

TO: Lease Agreement by and between LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE ("Lessor"), and NATIONAL STEEL CORPORATION ("Lessee") dated April 25, 1975

A. EQUIPMENT LEASED:

Eighty (80) 100-ton Rapid Discharge Coal Cars Manufactured by Ortner Freight Car Company, Car Nos. NSAX 1000 Through and including NSAX 1079.

B. TERM: Unless sooner terminated as set forth in the lease, the term of this lease respecting each item of equipment listed on this schedule expires on May 22, 1987.

C. RENT: As rent for said equipment, Lessee shall pay Lessor the sum of \$4,358,025.76. Except as otherwise provided in the lease or in this schedule said rent shall be payable in installments, commencing on May 22, 1975 as follows:  
interim

One (1) /rental payment of \$4,555.84 followed by One Hundred Forty Four (144) rental payments of \$30,232.43, due the 22nd day of each month. Unless sooner paid, all said rent shall be payable in any event on or before the expiration or sooner termination of this lease.

D. STIPULATED LOSS VALUE: Amount to be paid pursuant to paragraph 9 of said lease for each unit lost, stolen, destroyed or damaged beyond repair during each period thereof.

STIPULATED LOSS VALUES

(Expressed as % of Original Equipment Cost)

<u>Rental</u>		<u>Rental</u>	
<u>Periods</u>	<u>S.L.V.</u>	<u>Periods</u>	<u>S.L.V.</u>

Stipulated Loss Value shall be the percentage of principal outstanding from time to time during the lease term as shown on the Amortization Schedule dated May 19, 1975 furnished by lessor to lessee.

APPROVED AND AGREED TO this day of May 22, 1975, as a  
schedule to that certain lease dated the 25th day of April,  
1975, by and between the parties hereto, and made a part hereof.

LINCOLN NATIONAL BANK AND TRUST COMPANY  
OF FORT WAYNE, TRUSTEE

By [Signature]  
Title

(Seal)

LESSOR

Address: 116 East Berry Street  
Fort Wayne, Indiana 46802

STATE OF INDIANA)

) SS:

COUNTY OF ALLEN )

Before me personally appeared Roger S. Moliere, to me  
personally known, who being by me duly sworn, says that he is the  
of LINCOLN NATIONAL BANK AND TRUST COMPANY OF  
FORT WAYNE, that the seal affixed to the foregoing instrument is the  
complete seal of said corporation, that said instrument was signed and  
sealed on behalf of said corporation by authority of its Board of Directors,  
and acknowledged that the execution of the foregoing instrument was the  
free act and deed of said corporation.

[Signature]  
Notary Public

My commission expires Aug 5, 1978.

STATE OF PENNSYLVANIA )

) SS:

COUNTY OF ALLEGHENY )

Before me personally appeared W. S. SCHWOEBEL, to me  
personally known, who being by me duly sworn, says that he is the Senior  
Vice President-Finance of NATIONAL STEEL CORPORATION, that the seal affixed  
to the foregoing instrument is the complete seal of said Corporation, that  
said instrument was signed by sealed on behalf of said corporation by  
authority of its Board of Directors, and acknowledged that the execution of  
the foregoing instrument was the free act and deed of said corporation.

[Signature]  
Notary Public

My commission expires Jan 31, 1977.